

Analysis of Proposed Consent Order to Aid Public Comment
In the Matter of Network Solutions, LLC, File No. 132 3084

The Federal Trade Commission (“Commission”) has accepted, subject to final approval, an agreement containing a consent order from Network Solutions, LLC (“Network Solutions”). The Commission has placed the proposed Order on the public record for thirty days for receipt of comments by interested persons. Comments received during this period will become part of the public record. After thirty days, the Commission will again review the agreement and the comments received, and will decide whether it should withdraw from the agreement and take appropriate action or make final the agreement’s proposed Order.

Network Solutions advertises and sells web hosting services. The company’s web hosting services allow customers to make webpages available on the internet by storing their webpage information, including programming code, images, and videos, on web servers owned or leased by Network Solutions, and by providing the technology and internet connectivity required to serve the webpages on the internet. Network Solutions has sold its web hosting services subject to a thirty-day money back guarantee. It has advertised that guarantee on its website.

The Commission’s proposed Complaint alleges that Network Solutions failed to disclose adequately that its web hosting thirty-day money back guarantee could be subject to a cancellation fee. This cancellation fee was sometimes a substantial portion of the purchase price. Network Solutions did not disclose the cancellation fee on its webpages advertising the guarantee. Instead, at the bottom of those webpages, Network Solutions included a hyperlink to “Terms and Conditions” for the guarantee. This link often appeared in smaller print than the rest of the webpage and sometimes also appeared in blue text against a black background. The link opened a pop-up window that disclosed the existence of the cancellation fee. The Commission’s proposed Complaint alleges that, coupled with the triggering representation that it offers a thirty-day money back guarantee, Network Solutions’ failure to disclose adequately the cancellation fee is a deceptive act or practice under Section 5 of the FTC Act.

The proposed Order contains provisions designed to prevent Network Solutions from engaging in the same or similar acts or practices in the future. Section I of the proposed Order requires Network Solutions to clearly and conspicuously disclose the material terms of any money back guarantees applicable to web hosting services, including the existence and amount of any fee applicable to money-back guarantees. It also requires Network Solutions to refund the full purchase price of web hosting sold under a money back guarantee, in response to a request that complies with the terms of that guarantee, unless any applicable fees are disclosed clearly and conspicuously. Section II of the proposed Order broadly prohibits misrepresentations with regard to

refund or cancellation policies or any other material fact concerning the web hosting services that Network Solutions offers or sells. Sections III through VI of the proposed Order are standard reporting and compliance provisions that allow the Commission to better monitor Network Solutions' ongoing compliance with the Order. Under Section VII, the Order will expire in twenty years, with certain exceptions.

The purpose of this analysis is to aid public comment on the proposed Order. It is not intended to constitute an official interpretation of the Complaint or proposed Order, or to modify in any way the proposed Order's terms.